



REPLACEMENT SHEET

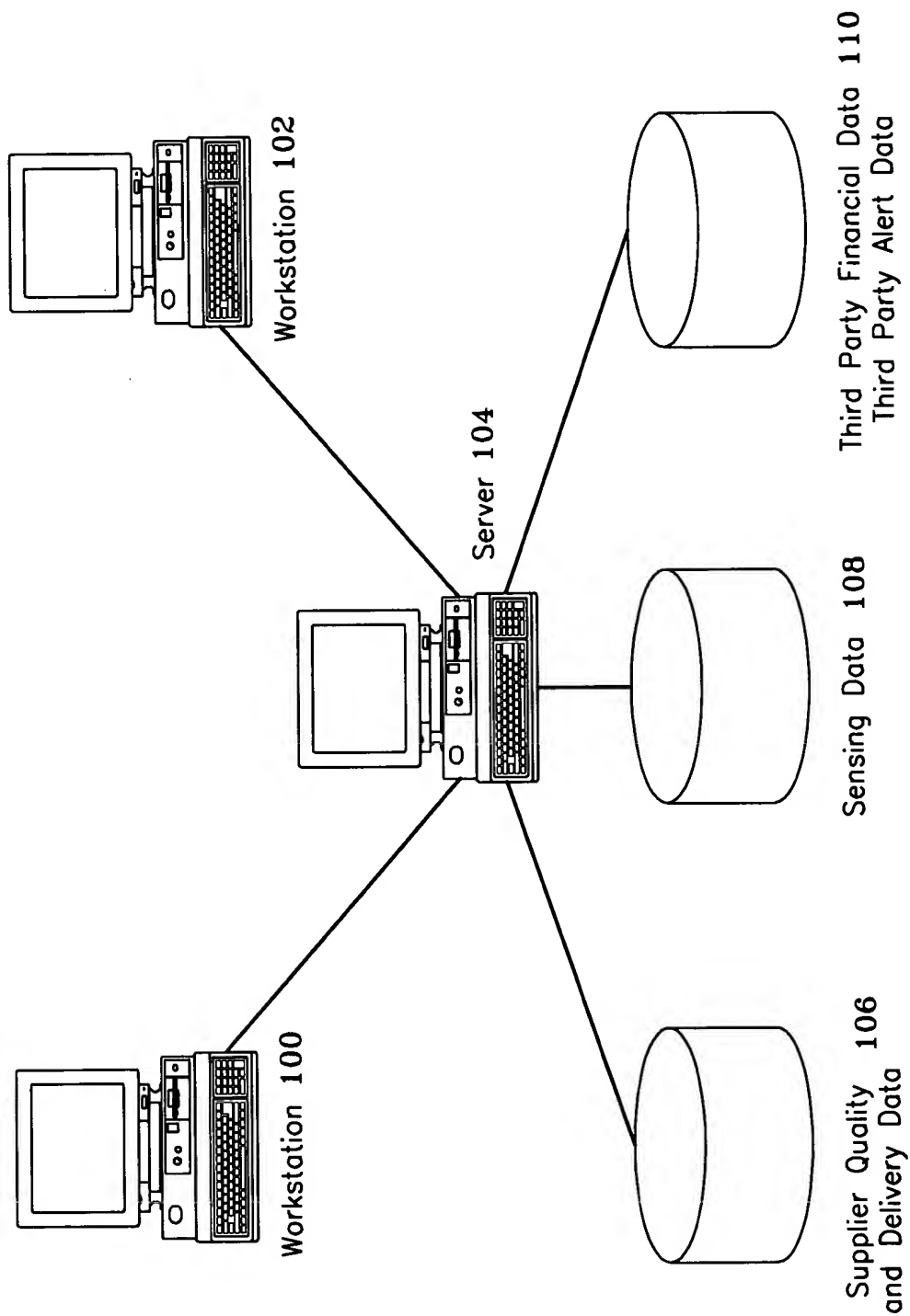
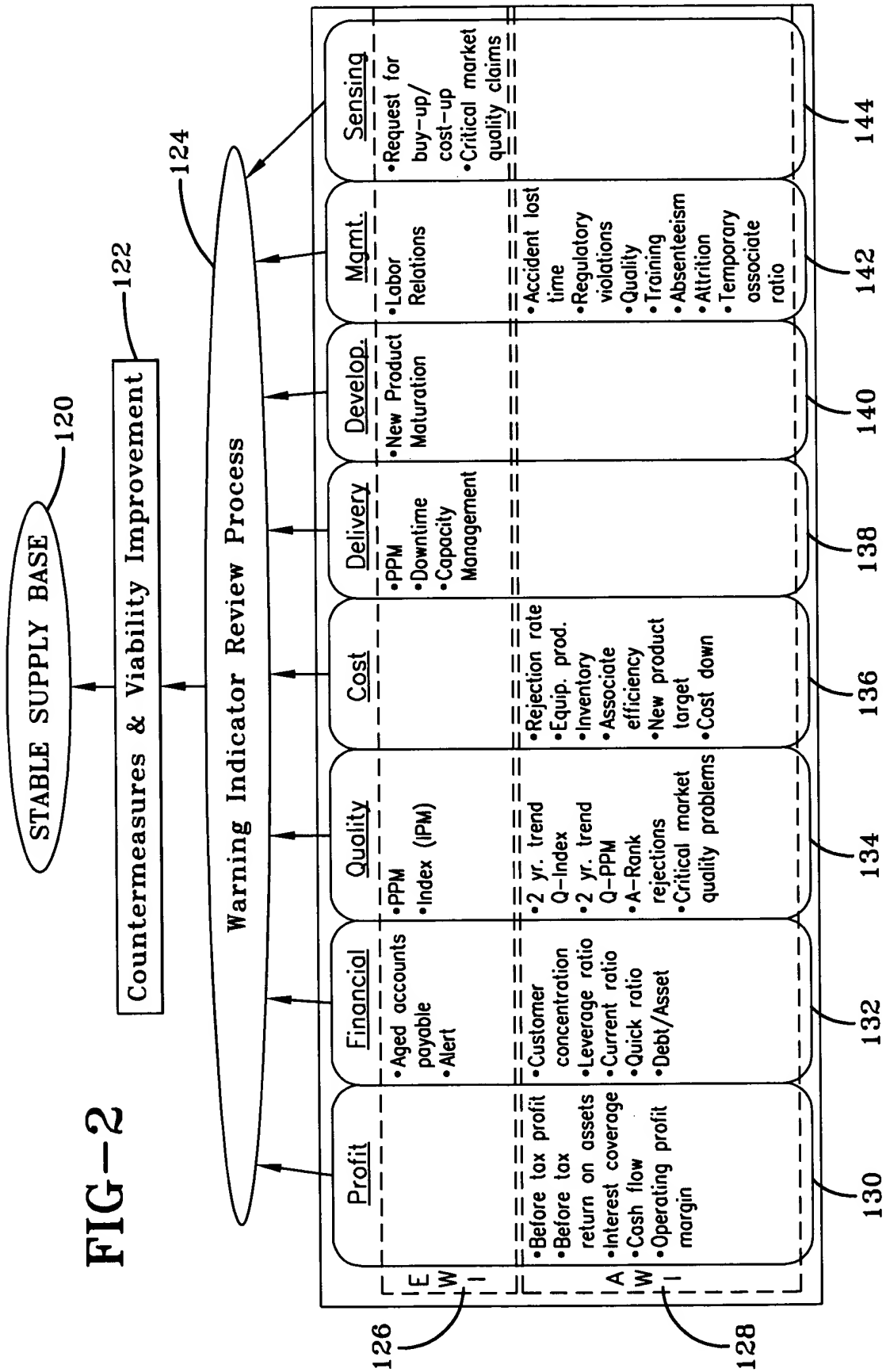


FIG-1

FIG-2



# REPLACEMENT SHEET

		164	166
150	Profitability	Criteria	Calculation Formula
		Before Tax Profit Margin (%)	$\frac{\text{Profit Before Tax}}{\text{Total Sales}} \times 100$
		Before Tax Return on Assets (%)	$\frac{\text{Profit Before Tax}}{\text{Total Sales}} \times 100$
		Interest Coverage (Times)	$\frac{\text{Earning before Interest Expense \& Taxes}}{\text{Interest Expense}}$
		Cash Flow (Times)	$\frac{\text{After Tax Profit} + \text{Depreciation}}{\text{Curr. Long Term Debt} + \text{Dividends} + \text{Investments}}$
152	Financial	Customer Concentration (%)	$\frac{\text{Largest Customer Sales}}{\text{Total Sales}} \times 100$
		Leverage Ratio (Times)	$\frac{\text{Total Liabilities}}{\text{Net Worth}}$
		Current Ratio (Times)	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
		Quick Ratio (Times)	$\frac{\text{Current Liabilities} - \text{Inventory Amount}}{\text{Current Liabilities}}$
154	Quality	Critical Market Quality Problems	1. Recalls 2. Product updates 3. Critical Grade A
		Quality Index	Monthly Average of Quality Index
		2 year Trend of Ave. Q-Index (%)	$\frac{\text{Q-Index Prior Yr. Ave.} - \text{Q-Index Cur. Yr. Ave.}}{\text{Q-Index Prior Yr. Ave.}} \times 100$
		2 year Trend of Ave. Q-PPM (%)	$\frac{\text{Q-PPM Prior Yr. Ave.} - \text{Q-PPM Cur. Yr. Ave.}}{\text{Q-PPM Prior Yr. Ave.}} \times 100$
		Critical Quality Problems	A-Rank Rejections

FIG-3A

## REPLACEMENT SHEET

156	Cost	Criteria	Calculation Formula
		Rejection Rate (%)	$\frac{\text{Rejection Cost}}{\text{Annual Sales}} \times 100$
		Equipment Productivity (%)	$\frac{\text{Annual Sales}-\text{Purchase Parts}}{\text{Depreciation (incl. Lease)}} \times 100$
		Inventory (days)	Days of finished inventory
		Associate Efficiency	$\frac{\text{Annual Sales}-\text{Purchase Parts}}{\text{Number of Associates}} \times 12$
		New Product Target Cost (%)	$\frac{\text{Target Cost}}{\text{Actual (Quote)}} \times 100$
		Cost Down (%)	Annual Cost Down percentage
158	DI	Delivery PPM	Yearly Delivery PPM
		Time Lost to Accidents (%)	$\frac{\text{Annual time lost to accidents}}{\text{Annual production hours}} \times 100$
		Regulatory Violations	Number of violations in the last 5 years
		Training	Ave. No. of training hours per associate
		Kaizen	Number of suggestions per associate
		Circle activities (%)	Participation in Circle Activities
		Absenteeism Rate (%)	Associate Absenteeism Rate
160	Management	Attrition Rate (%)	Associate Attrition Rate
		Local Content (%)	Actual Local Content
162	Others		

**FIG-3B**

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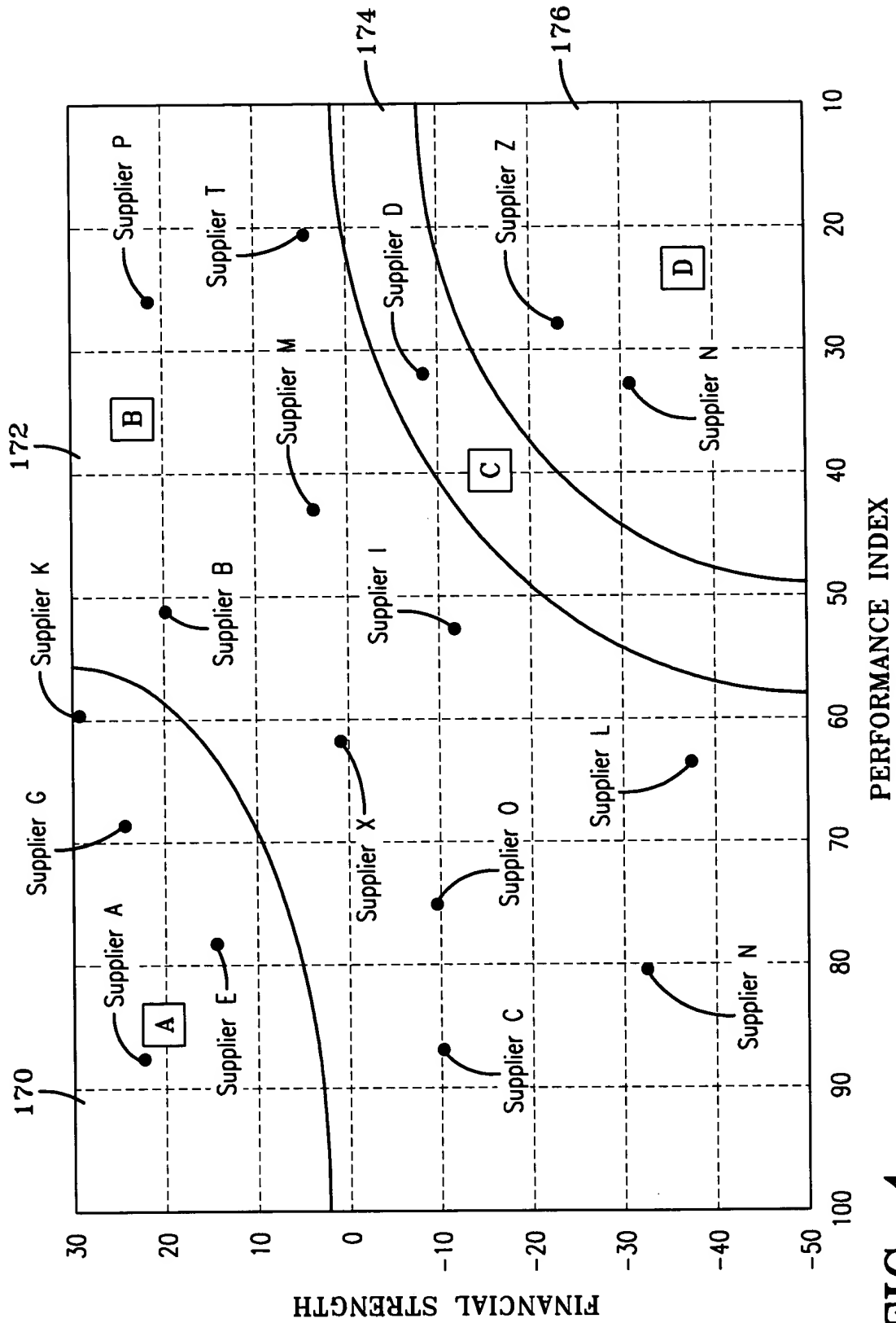


FIG-4

FIG-5

Category	Definition	Action
<div data-bbox="479 1921 511 1988">180</div> <div data-bbox="406 1829 613 1871">STABLE</div> <div data-bbox="479 1724 544 1770">A</div>	<ul style="list-style-type: none"> <li>Supplier's performance indicates a stable operation</li> </ul>	<ul style="list-style-type: none"> <li>Monitor throughout the year using the early warning indicators</li> </ul>
<div data-bbox="722 1921 755 1988">182</div> <div data-bbox="630 1829 865 1871">MONITOR</div> <div data-bbox="722 1724 771 1770">B</div>	<ul style="list-style-type: none"> <li>Suppliers that require countermeasures to concern areas to improve stability</li> </ul>	<ul style="list-style-type: none"> <li>Utilize existing initiatives to improve and countermeasure problems as needed</li> </ul>
<div data-bbox="966 1921 998 1988">184</div> <div data-bbox="881 1829 1125 1871">CONCERN</div> <div data-bbox="982 1724 1031 1770">C</div>	<ul style="list-style-type: none"> <li>Suppliers that require significant improvement to avoid serious concern</li> </ul>	<ul style="list-style-type: none"> <li>Take immediate action to establish and carry out a recovery plan Equivalent to a Level 1 or 2 Assessment</li> </ul>
<div data-bbox="1193 1921 1226 1988">186</div> <div data-bbox="1157 1829 1344 1871">ALERT</div> <div data-bbox="1234 1724 1282 1770">D</div>	<ul style="list-style-type: none"> <li>Suppliers that are in need of a recovery plan --State of Serious Concern--</li> </ul>	<ul style="list-style-type: none"> <li>Take immediate action to establish and carry out a recovery plan or workout process Equivalent to a Level 3 or 4 Assessment</li> </ul>

# REPLACEMENT SHEET

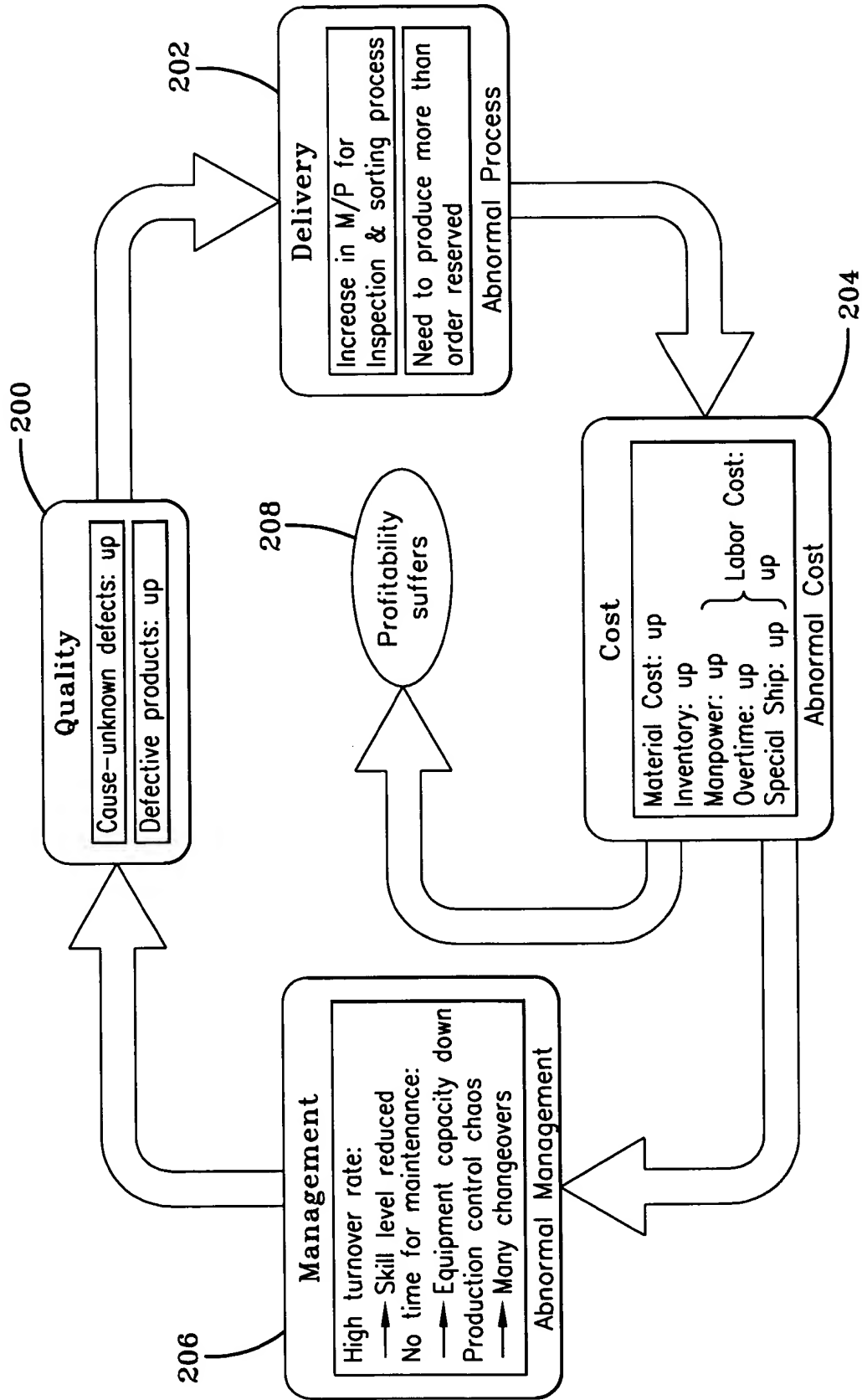


FIG-6

# REPLACEMENT SHEET

Category	No.	EWI	Measurement	Frequency	Judgment Criteria		
					Green	Yellow	Red
Financial	1	Aged Accounts Receivables	Accts/Rec Past Due	Monthly	On-time	>30 days	>60 days
	2	Payment History	Score (100-0)	Monthly	≥51	50-41	≤40
	3	Independent Evaluation Risk	Score (9-1)	Monthly	≤6	7-8	9
Quality	4	PPM	3 month performance trend of rejects/million	Monthly	stable or positive	2 of 3 mos 150≥PPM	3M worse AND≥50
	5	IPM	3 month performance trend of index/million	Monthly	stable or positive	2 of 3 mos 150≥PPM	3M worse AND≥50
	6	PPM	3 month perform. trend misdeliveries/million	Monthly	stable or positive	2 of 3 mos 600≥PPM	3M worse AND≥200
Delivery	7	Downtime	# supplier-caused incidents/4 months	Monthly	No incidents	≥1 incidents prior 2 mos	Downtime last month
	8	Capacity Management System	Process Utilization Report	Monthly	No Concerns	Unconfirmed Concern	Capacity Concern
	9	New product Maturation	Target vs Actual (NM Evaluation)	Monthly (as available)	Met most Targets	Missed some Targets	Failed most Targets
Management	10	Labor Relations	Level of Labor Issues	Monthly	None	Concern	Unrest
Sensing	11	Observations & Requests	Based upon weekly input	Monthly	Per Review Meeting Discussion		

FIG-7



# REPLACEMENT SHEET

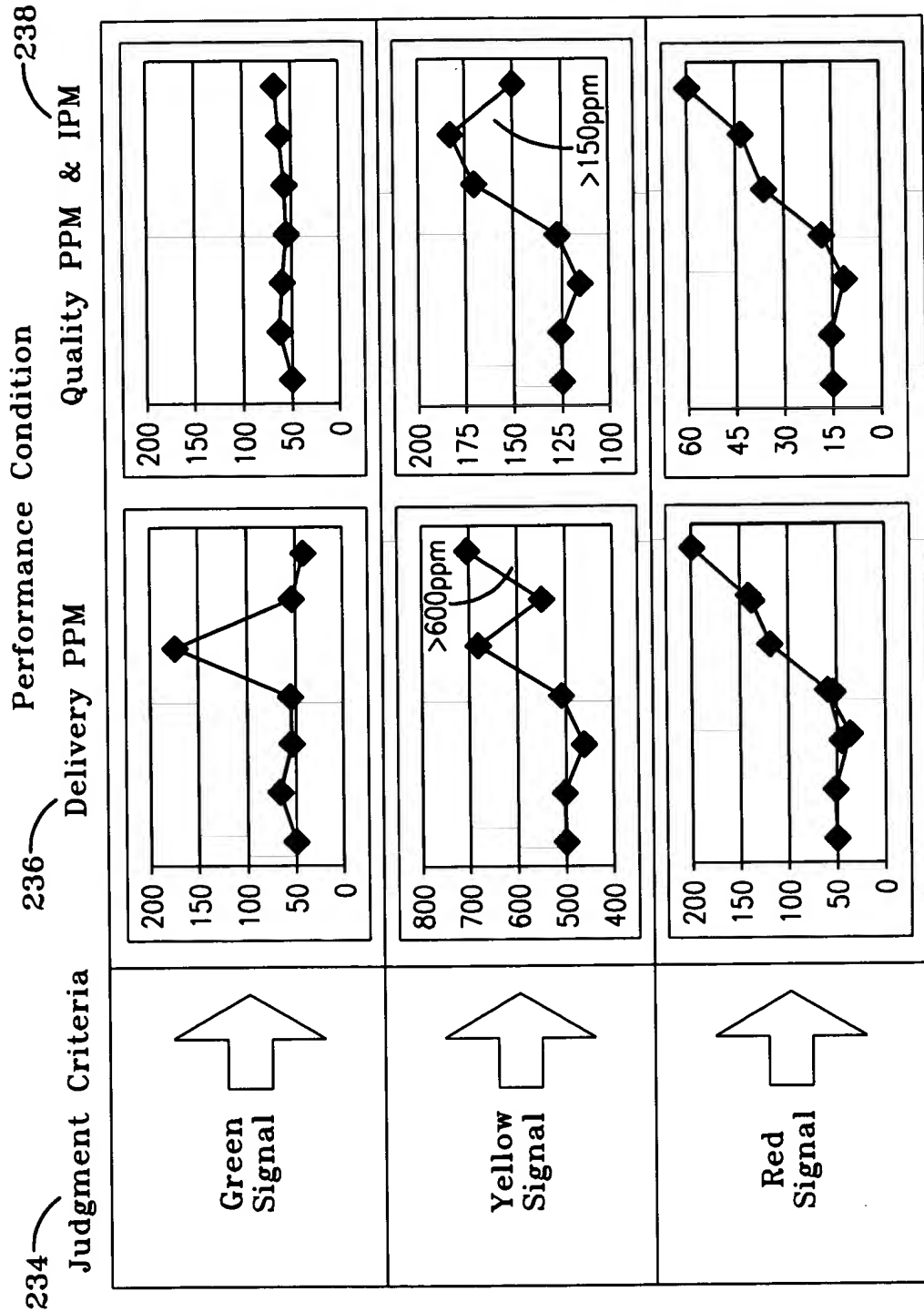


FIG-8

# REPLACEMENT SHEET

		Report Month			3 mos worsening	2 of last 3 mos
Supplier Number	Data	03/01/01	04/01/01	05/01/01		
000100—Supplier A	Delivery PPM	0	0	0	no	no
	Quality PPM	0	0	0	no	no
	Quality IPM	0	0	0	no	no
000102—Supplier B	Delivery PPM	0	0	0	no	no
	Quality PPM	21	13	14	no	no
	Quality IPM	0	0	0	no	no
000104—Supplier C	Delivery PPM	0	96	0	no	no
	Quality PPM	8	16	35	no	no
	Quality IPM	44	96	94	no	no
000106—Supplier D	Delivery PPM	0	0	0	no	no
	Quality PPM	31	0	0	no	no
	Quality IPM	125	0	0	no	no
000108—Supplier E	Delivery PPM	176	0	0	no	no
	Quality PPM	100	14	147	no	no
	Quality IPM	80	94	104	yes	no
000110—Supplier F	Delivery PPM	0	0	0	no	no
	Quality PPM	0	192	24	no	no
	Quality IPM	0	257	96	no	no
000112—Supplier G	Delivery PPM	103	0	2	no	no
	Quality PPM	1	1	9	no	no
	Quality IPM	5	5	35	no	no
000114—Supplier H	Delivery PPM	0	7	0	no	no
	Quality PPM	117	43	50	no	no
	Quality IPM	119	213	146	no	no
000116—Supplier I	Delivery PPM	0	0	602	no	no
	Quality PPM	6	1	1	no	no
	Quality IPM	14	2	6	no	no

FIG-9

# REPLACEMENT SHEET

## FIG-10

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WARNING INDICATOR REVIEW REPORT

Supplier	Annual FY Rank	EARLY										Sensing	
		Financial		Quality		Delivery		NMD Mgt					
		TA	Poydex	SER	PPM	IPM	PPMD/T	CMS	CF	LR			
000100-Supplier A			V		V	V	V		X			Alert 57-48	
000102-Supplier B				X			V						
000104-Supplier C			X					V				Alert 46-38;D/T 3/01	
000106-Supplier D	A				V			V	V			D/T 2/01	
000108-Supplier E					V		X		O				
000110-Supplier F				V		V	X						
000112-Supplier G			V				V						
000114-Supplier H							X	X				D/T 3/01	
000116-Supplier I					V	V							
000118-Supplier J			V				X						
000120-Supplier K	B							X	V				
000122-Supplier L					X	V	X		O				
000124-Supplier M	A						X	V	O			D/T 3/01	
000126-Supplier N						V	V						
000128-Supplier O						V		V				D/T 2/01	
000130-Supplier P					V	V							
000132-Supplier R						X	X						
000134-Supplier S			X	V			X					Alert 49-25	
000136-Supplier T					V	X							
000138-Supplier U					V		X						

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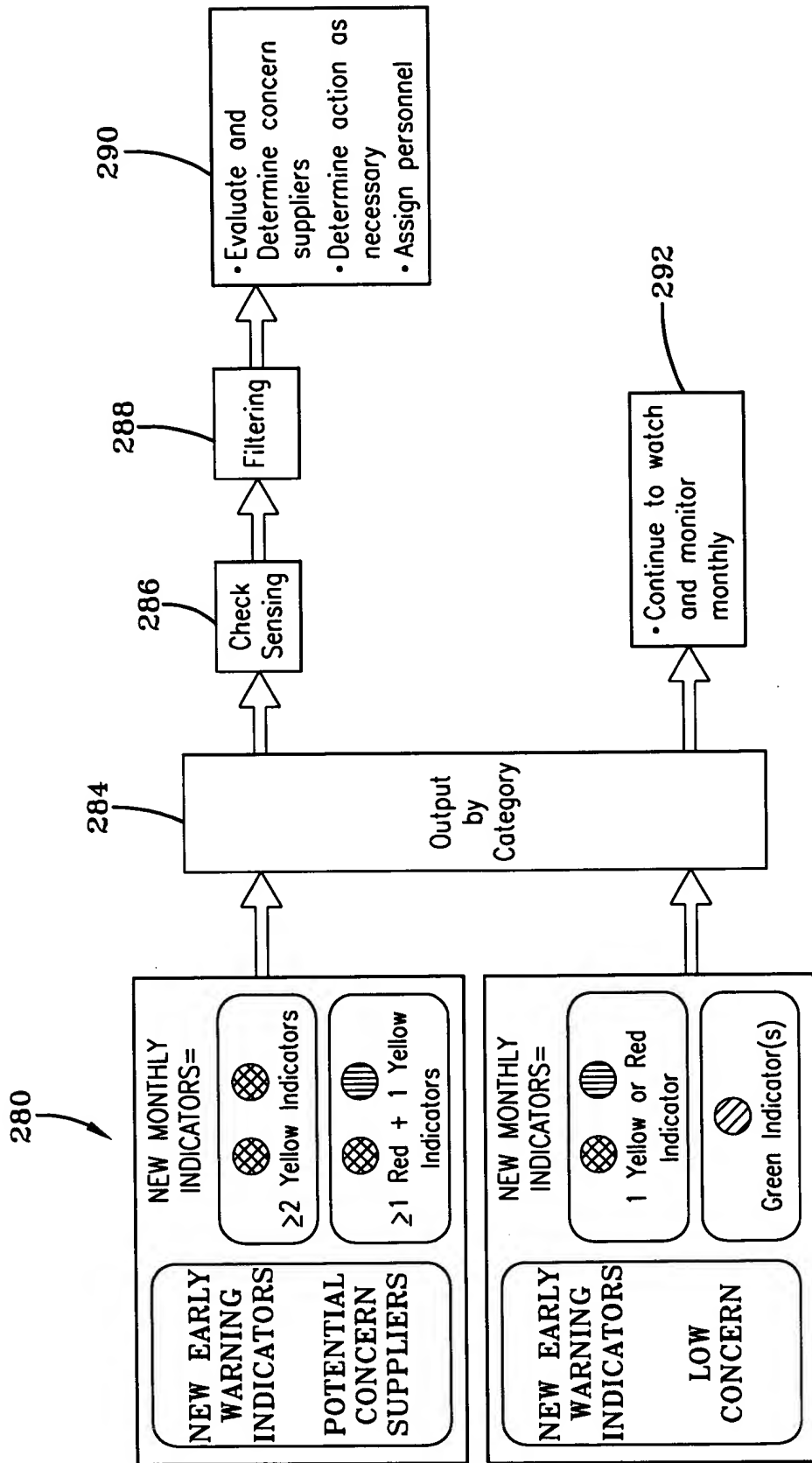


FIG-11

# REPLACEMENT SHEET

FIG-12A

300

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306

Company: Supplier 1  
City: Centerville  
State: Ohio  
Country: USA

President: T. Smith  
Phone: 111-222-3456  
Plant Manager:  
Phone:  
Contact:  
Phone:

CAUSE A  
D & B rating based on 14 experiences  
T.: supplier 1 is paying its bill  
supplier 1 has no outstanding loans and a favorable balance sheet

CAUSE B  
Management has been involved in resolving prior disputes  
Main root cause is paperwork (no/late invoice, inaccurate packing slip)

PLANT/PART

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Part Number	Part Name
A S02244	Cables
B	
Model	

ISSUE A  
D & B Paydex Rating: 40

ISSUE B  
Late Payment to XYZ supplier

COUNTERMEASURE

	Month					
	1	2	3	4	5	6
Requested additional financial documents						
Strategy: do not increase business at supplier 1						

Recommended Action: Watch ☒ Level 1 ☐ Level 2 ☐ Level 3 ☐ Level 4 ☐

REPLACEMENT SHEET

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Supplier

Problem Statement

Report By

322

Date

1-A Problem Discovery Information

1-B Problem Details

324

2-C Identify Root Cause

2-D Root Cause Selection Justification

326

3 Countermeasure

4 C/M Confirmation Schedule

5 Feedback/Forward

C/M Implementation	Resp.	Date	Countermeasure Results	Confirmed by	Date	Plan	Actual	Fdback/Fwd	Method	Resp.	Date

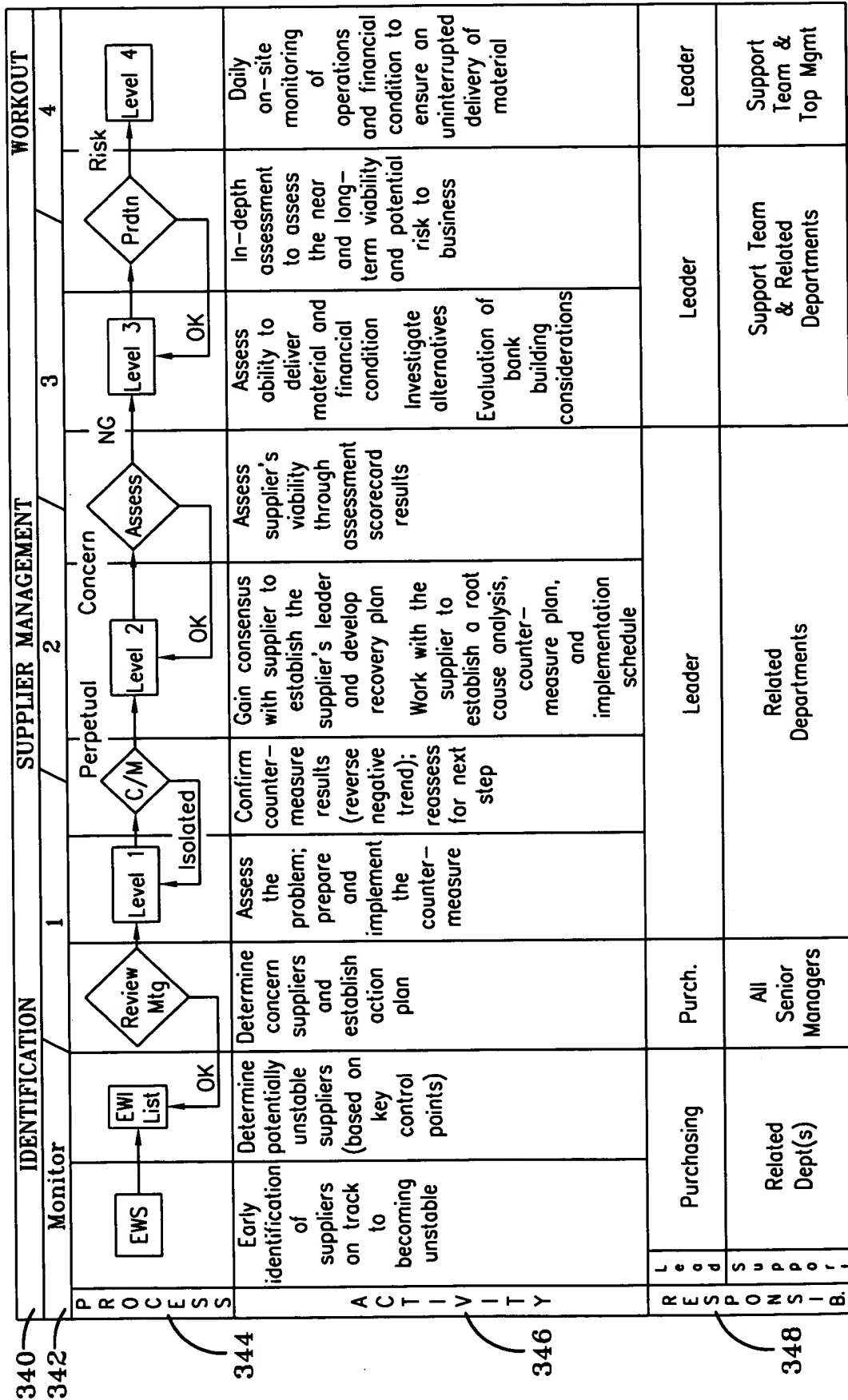
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FIG-12B

# REPLACEMENT SHEET



**FIG-13**